

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2723

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 48-707, Arizona Revised Statutes, is amended to
3 read:

4 48-707. Notice and conduct of elections; waiver

5 A. Any election under this article shall be a nonpartisan election
6 called by posting notices in three public places within the boundaries of the
7 district not less than twenty days before the election. Notice shall also be
8 published in a newspaper of general circulation in the municipality or county
9 or if there is no newspaper so circulated in the municipality in a newspaper
10 of general circulation in the county in which the municipality is located
11 once a week for two consecutive weeks before the election. The notice shall
12 state:

13 1. The place of holding the election.

14 2. The hours during the day, not less than six, in which the polls
15 will be open.

16 3. If it is a formation election, the boundaries of the proposed
17 district.

18 4. If it is a bond election, the amount of bonds to be authorized for
19 the district, the maximum rate of interest to be borne on the bonds, the
20 maximum term of the bonds, not exceeding twenty-five years, and the purposes
21 for which the monies raised will be used.

22 5. If it is an ad valorem tax levy election pursuant to section
23 48-723, the maximum tax rate per one hundred dollars of assessed valuation to
24 be imposed, the purposes for which the monies raised will be used and the
25 existing maximum tax rate, if any.

26 6. That a general plan is on file with the clerk.

27 B. The district board or the governing body, as applicable, shall
28 determine the date of the election and the polling places for the election

1 and may consolidate county precincts. For other than a formation election
2 pursuant to section 48-705, subsection B, and an election held pursuant to
3 subsection G of this section, precinct registers shall be used. The county
4 recorder shall submit precinct registers on the request of the clerk, and if
5 the district includes land lying partly in and partly out of any county
6 election precinct, the precinct registers may contain the names of all
7 registered voters in the precinct and the election boards at those precincts
8 shall require that a prospective elector execute an affidavit stating that
9 the elector is also a qualified elector of the district. For formation
10 elections and elections held pursuant to subsection G of this section, a
11 prospective elector shall execute an affidavit stating that the elector is
12 the owner of land in the proposed district and is a qualified elector of this
13 state or otherwise qualified to vote pursuant to section 48-3043 and stating
14 the area of land in acres owned by the elector. Election board members may
15 administer oaths or take all affirmations for these purposes. A community
16 facilities district election held pursuant to this article is not subject to
17 title 16, chapter 2, article 3.

18 C. Except as otherwise provided by this article, the election shall
19 comply with the general election laws of this state, except that the words to
20 appear on the ballots shall be for a formation election "district, yes" and
21 "district, no", for a bond election "bonds, yes" and "bonds, no", for a tax
22 election if no tax is in place "tax, yes" and "tax, no" and for a tax
23 election to change an existing maximum or eliminate an existing tax "tax
24 change, yes" and "tax change, no". The returns of election shall be made to
25 the governing body or, if after formation, to the district board.

26 D. Within fourteen days after an election, the governing body, or if
27 after formation, the district board, shall meet and canvass the returns, and
28 if a majority of the votes cast at the election is in favor of formation,
29 issuing the bonds, imposing the tax or changing the tax, the governing body
30 or the district board, as appropriate, shall enter that fact on its
31 minutes. The canvass may be continued from time to time. Failure of a

1 majority to vote in favor of the matter submitted does not prejudice the
2 submission of the same or similar matters at a later election.

3 E. If a person listed on the assessment roll is no longer the owner of
4 land in the district and the name of the successor owner becomes known and is
5 verified by recorded deed or other similar evidence of transfer of ownership,
6 the successor owner is deemed to be the owner for the purposes of this
7 article.

8 F. Notwithstanding any other provision of this article, if a petition
9 for formation is signed by owners of all of the land in the district
10 described in the petition and is approved by the municipality or county, the
11 municipality or county may waive any or all requirements of posting,
12 publication, mailing, notice, hearing and landowner election. On receipt of
13 such a petition, and after approval by an election of resident electors, if
14 any, the municipality or county shall declare the district formed without
15 being required to comply with the provisions of this article for posting,
16 publication, mailing, notice, hearing or landowner election.

17 G. Notwithstanding any other provision of this article, if no person
18 has registered to vote within the district within fifty days immediately
19 preceding any scheduled election date, any election required to be held
20 pursuant to this article shall be held with the vote by the owners of land
21 within the district who are qualified electors of this state and other
22 landowners according to section 48-3043. Each owner has the number of votes
23 or portion of votes equal to the number of acres or portion of acres rounded
24 upward to the nearest one-fifth of an acre owned in the district by that
25 person.

26 H. EXCEPT AS PROVIDED IN SUBSECTION I OF THIS SECTION, for a district
27 that is proposed to be formed by a county, a district may be formed only if a
28 petition for formation is signed by the owners of all of the land in the
29 district that is described in the petition and if it is approved by the
30 county. If the district is proposed to be formed in a county island, as
31 defined in section 11-251.12, in existence ~~the effective date of this~~
32 ~~amendment to this section~~ SEPTEMBER 21, 2006, the petition must be signed by

1 the owners of all of the land in the district that is described in the
2 petition and the district must be approved by the county and by the
3 municipality or all municipalities that form the county island. If the
4 petition is signed by the owners of all of the land in the district, the
5 county may waive any or all requirements of posting, publication, mailing,
6 notice, hearing and landowner election. On receipt of such a petition, and
7 after approval by an election of one hundred per cent of the resident
8 electors, if any, the county shall declare the district formed without being
9 required to comply with the provisions of this article for posting.

10 I. NOTWITHSTANDING SUBSECTION H OF THIS SECTION, A DISTRICT MAY BE
11 FORMED BY A COMMUNITY LOCATED WITHIN TEN MILES OF THE BOUNDARY OF A NATIONAL
12 PARK OR MONUMENT IF THE POPULATION WITHIN THE AREA OF THE DISTRICT IS GREATER
13 THAN THREE HUNDRED FIFTY PERSONS. A PETITION FOR THE FORMATION OF A DISTRICT
14 PURSUANT TO THIS SUBSECTION MUST BE SIGNED BY THE NUMBER OF OWNERS OF REAL
15 PROPERTY THAT REPRESENTS AT LEAST FIFTY-ONE PER CENT OF THE REAL PROPERTY
16 WITHIN THE PROPOSED BOUNDARIES OF THE DISTRICT. A DISTRICT FORMED PURSUANT
17 TO THIS SUBSECTION SHALL HAVE ALL OF THE POWERS OF A DISTRICT FORMED PURSUANT
18 TO THIS ARTICLE EXCEPT FOR THE POWER TO LEVY AN AD VALOREM TAX OR A SPECIAL
19 ASSESSMENT. A DISTRICT FORMED PURSUANT TO THIS SUBSECTION SHALL HAVE THE
20 POWER TO ENACT AND LEVY AN EXCISE TAX PURSUANT TO SECTION 48-726.

21 Sec. 2. Section 48-709, Arizona Revised Statutes, is amended to read:

22 48-709. Powers of a community facilities district

23 A. In addition to the powers otherwise granted to a district pursuant
24 to this article, a district, ~~may~~ to further the general plan, MAY:

25 1. Enter into contracts and expend monies for any public
26 infrastructure purpose with respect to the district.

27 2. Enter into intergovernmental agreements as prescribed in title 11,
28 chapter 7, article 3 for the planning, design, inspection, ownership,
29 control, maintenance, operation or repair of public infrastructure or the
30 provision of enhanced municipal services by the municipality in the district.

1 3. Sell, lease or otherwise dispose of district property if the sale,
2 lease or conveyance is not a violation of the terms of any contract or bond
3 resolution of the district.

4 4. Reimburse the municipality for providing enhanced municipal
5 services in the district.

6 5. Operate, maintain and repair public infrastructure.

7 6. Establish, charge and collect user fees, rates or charges for the
8 use of any public infrastructure or service.

9 7. Employ staff, counsel and consultants.

10 8. Reimburse the municipality or county for staff and consultant
11 services and support facilities supplied by the municipality or county.

12 9. Accept gifts or grants and incur and repay loans for any public
13 infrastructure purpose.

14 10. Enter into agreements with landowners and the municipality or
15 county for the collection of fees and charges from landowners for public
16 infrastructure purposes, the advance of monies by landowners for public
17 infrastructure purposes or the granting of real property by the landowner for
18 public infrastructure purposes.

19 11. By resolution, levy and assess the costs of any public
20 infrastructure purpose on any land benefited in the district.

21 12. Pay the financial, legal and administrative costs of the district.

22 13. Enter into contracts, agreements and trust indentures to obtain
23 credit enhancement or liquidity support for its bonds and process the
24 issuance, registration, transfer and payment of its bonds and the
25 disbursement and investment of proceeds of the bonds.

26 14. With the consent of the governing body of the municipality or
27 county which formed the district, enter into agreements with persons outside
28 of the district to provide services to persons and property outside of the
29 district.

30 15. Use public easements and rights-of-way in or across public
31 property, roadways, highways, streets or other thoroughfares and other public

1 easements and rights-of-way, whether in or out of the geographical limits of
2 the district, the municipality or the county.

3 16. FOR A DISTRICT FORMED PURSUANT TO SECTION 48-707, SUBSECTION I
4 ONLY, LEVY AN EXCISE TAX.

5 B. This article does not authorize:

6 1. A district to acquire, construct, operate or maintain an electric
7 generation or distribution system or natural gas distribution system without
8 the written consent of any affected public service corporation, electric
9 cooperative, agricultural improvement or power district or other district
10 described in article XIII, section 7, Constitution of Arizona, the service
11 area of which encompasses all or part of the district, if that entity is
12 providing or is capable of adequately providing electrical utility service or
13 natural gas utility service in the district.

14 2. A district to provide service outside its boundaries without the
15 written consent of any affected public service corporation, electric
16 cooperative, agricultural improvement or power district or other district
17 described in article XIII, section 7, Constitution of Arizona, with a service
18 area that lies outside of the district, if that entity is providing or is
19 capable of adequately providing electrical utility service or natural gas
20 utility service in the area that the district proposes to serve.

21 C. If a district is granted written consent pursuant to this section,
22 the district shall provide a copy to the governor, the president of the
23 senate, the speaker of the house of representatives and each commissioner of
24 the Arizona corporation commission no later than thirty days after consent is
25 granted.

26 D. In connection with any power authorized by statute, the district
27 may:

28 1. Contract.

29 2. Enter into intergovernmental agreements pursuant to title 11,
30 chapter 7, article 3.

31 3. Adopt and change a seal.

32 4. Sue and be sued.

1 5. Enter into development agreements, as defined in section 9-500.05.

2 6. Exercise the same right and power of eminent domain as a public
3 service corporation pursuant to title 12, chapter 8, articles 2 and 3 to
4 acquire any property or right-of-way, except political subdivision, county,
5 state or federal property, for any public infrastructure purpose.

6 E. A district which proposes to provide domestic water service in the
7 certificated area of a public service corporation serving domestic water
8 shall provide just compensation to the public service corporation pursuant to
9 section 9-516.

10 F. Public infrastructure other than personalty may be located only in
11 or on lands owned by the state, a county, a municipality or the district or
12 dedicated or otherwise designated as public roadways, highways, streets,
13 thoroughfares, easements or rights-of-way, whether in or out of the district
14 or the municipality. Personalty may be used only for purposes authorized by
15 the district board.

16 G. An agreement pursuant to subsection A, paragraph 10 of this section
17 may include agreements to repay all or part of such advances, fees and
18 charges from the proceeds of bonds if issued or from advances, fees and
19 charges collected from other landowners or users or those having a right to
20 use any public infrastructure. A person does not have authority to compel
21 the issuance or sale of the bonds of the district or the exercise of any
22 taxing power of the district to make repayment under any agreement.

23 H. A district shall not contract with a municipality for enhanced
24 municipal services unless the area for which the services are to be provided
25 is designated by the municipality as a slum or blighted area pursuant to
26 title 36, chapter 12, or an urban core business district of the municipality
27 determined by formal resolution of the municipality to be in need of enhanced
28 municipal services to encourage or preserve commercial development in the
29 area.

30 I. Notwithstanding title 34 or article 2 of this chapter, the district
31 at the option of the district board may enter into contracts for the
32 performance of district projects with landowners in the district after

1 calling for bids but before publishing notice of the award of a contract if
2 all of the following conditions are met:

3 1. The landowner or landowners own three-fourths or more of the total
4 land area of the district.

5 2. The landowner or landowners contract to perform the work at a cost
6 which does not exceed the cost specified in the bid of the bidder who would
7 have been awarded that bid.

8 3. The work for which the contract was let is to be financed pursuant
9 to this article.

10 4. All contracts and work executed pursuant to this section are
11 subject to those rules as the district board may prescribe.

12 Sec. 3. Title 48, chapter 4, article 6, Arizona Revised Statutes, is
13 amended by adding sections 48-726 and 48-727, to read:

14 48-726. Excise tax: certain districts

15 A. THE BOARD OF DIRECTORS OF A DISTRICT FORMED PURSUANT TO SECTION
16 48-707, SUBSECTION I MAY LEVY AN EXCISE TAX IN THE DISTRICT. THE BOARD OF
17 DIRECTORS OF THE DISTRICT BY RESOLUTION MAY LEVY, AND IF LEVIED THE
18 DEPARTMENT OF REVENUE SHALL COLLECT, AN EXCISE TAX BEGINNING JANUARY 1 OR
19 JULY 1, WHICHEVER DATE FIRST OCCURS AT LEAST THREE MONTHS AFTER THE DISTRICT
20 ADOPTS THE RESOLUTION APPROVING THE TAX LEVY. THE DISTRICT MAY LEVY AN
21 EXCISE TAX ON BUSINESS ACTIVITY IN THE DISTRICT THAT IS SUBJECT TO TAXATION
22 UNDER TITLE 42, CHAPTER 5. THE TAX SHALL BE LEVIED AT A RATE OF NO MORE THAN
23 FIVE PER CENT OF THE GROSS PROCEEDS OF SALES OR GROSS INCOME DERIVED FROM THE
24 BUSINESS ACTIVITY.

25 B. AT THE END OF EACH MONTH THE STATE TREASURER SHALL TRANSMIT THE NET
26 REVENUES COLLECTED PURSUANT TO THIS SECTION TO THE DISTRICT TREASURER WHO
27 SHALL DEPOSIT THE REVENUES IN THE DISTRICT'S GENERAL FUND.

28 C. UNLESS THE CONTEXT OTHERWISE REQUIRES, SECTION 42-6102 GOVERNS THE
29 ADMINISTRATION OF THE TAX IMPOSED PURSUANT TO THIS SECTION.

30 D. THE DISTRICT'S BOARD OF DIRECTORS MAY USE THE EXCISE TAXES RECEIVED
31 PURSUANT TO THIS SECTION FOR THE CONSTRUCTION, OPERATION AND MAINTENANCE OF
32 PUBLIC INFRASTRUCTURE ACQUIRED OR CONSTRUCTED BY THE DISTRICT AND MAY PLEDGE

1 SUCH TAXES TO THE PAYMENT OF DISTRICT BONDS ISSUED PURSUANT TO SECTION
2 48-727.

3 48-727. Bonds payable from excise taxes

4 A. THE BOARD OF DIRECTORS OF A DISTRICT FORMED PURSUANT TO SECTION
5 48-707, SUBSECTION I IS DESIGNATED AS THE BODY HAVING SOLE AND EXCLUSIVE
6 POWER TO AUTHORIZE AND ISSUE BONDS OR INCUR LONG-TERM OBLIGATIONS PAYABLE IN
7 WHOLE OR IN PART FROM MONIES COLLECTED FROM THE EXCISE TAX AUTHORIZED
8 PURSUANT TO SECTION 48-726. THE BOARD MAY:

9 1. ISSUE NEGOTIABLE BONDS PAYABLE FROM THE DISTRICT'S EXCISE TAXES IN
10 THE PRINCIPAL AMOUNT THAT IN THE OPINION OF THE BOARD IS NECESSARY TO PROVIDE
11 SUFFICIENT MONIES FOR CONSTRUCTION OR ACQUISITION OF PUBLIC INFRASTRUCTURE,
12 TO ESTABLISH RESERVES TO SECURE THE BONDS AND TO PROVIDE FOR THE PAYMENT OF
13 ALL OTHER EXPENDITURES INCIDENTAL, NECESSARY OR CONVENIENT TO CARRY OUT THESE
14 PURPOSES.

15 2. REFUND ANY BONDS ISSUED BY THE BOARD AND PAYABLE FROM EXCISE TAXES
16 OF THE DISTRICT AS AUTHORIZED IN THIS SECTION BY THE ISSUANCE OF REFUNDING
17 BONDS, WHETHER THE BONDS TO BE REFUNDED HAVE OR HAVE NOT MATURED. PROCEEDS
18 OF REFUNDING BONDS MAY BE USED TO PAY PRINCIPAL, INTEREST, REDEMPTION
19 PREMIUMS AND COSTS OF ISSUANCE AND TO PURCHASE CREDIT ENHANCEMENT ON
20 REFUNDING BONDS.

21 B. THE BONDS AUTHORIZED BY THIS SECTION SHALL:

22 1. BE AUTHORIZED BY RESOLUTION OF THE BOARD.

23 2. BEAR SUCH DATE OR DATES AND SHALL MATURE AT SUCH TIME OR TIMES, NOT
24 EXCEEDING THE EARLIER OF FORTY YEARS FROM THEIR RESPECTIVE DATES OR THE DATE
25 THE DISTRICT'S EXCISE TAXES SECURING THE BONDS ARE SCHEDULED TO CEASE, AS THE
26 RESOLUTION AUTHORIZING THE BONDS MAY PROVIDE.

27 3. BEAR INTEREST AT SUCH RATE OR RATES, INCLUDING RATES THAT MAY VARY
28 FROM TIME TO TIME, PURSUANT TO PROVISIONS ESTABLISHED BY THE BOARD IN THE
29 AUTHORIZING RESOLUTION.

30 4. BE IN THE DENOMINATION, BE IN THE FORM, BE EXECUTED IN THE MANNER
31 AND BE PAYABLE AS TO PRINCIPAL, INTEREST OR PREMIUM IN THE MEDIUM OF PAYMENT
32 AT THE OFFICE OF THE DISTRICT OR AT SUCH OTHER PLACE AS THE BOARD PROVIDES,

1 EITHER BY AUTOMATIC DEPOSIT, WIRE TRANSFER OR MAIL. THE BONDS MAY BE ISSUED
2 AS BOOK ENTRY BONDS WITH PAYMENTS OF PRINCIPAL, INTEREST AND REDEMPTION
3 PREMIUMS PAYABLE THROUGH A DEPOSITORY TO THE BENEFICIAL OWNERS OF THE BONDS,
4 EITHER DIRECTLY OR THROUGH INTERMEDIARIES.

5 5. BE SUBJECT TO SUCH TERMS OF REDEMPTION, AT THE OPTION OF EITHER THE
6 BOARD OR THE OWNER OF THE BOND, AS THE RESOLUTION AUTHORIZING THE BONDS MAY
7 PROVIDE.

8 6. BE PAYABLE FROM THE EXCISE TAXES TO BE RECEIVED BY THE DISTRICT.
9 THE DISTRICT BY RESOLUTION AUTHORIZING THE ISSUANCE OF THE BONDS MAY PLEDGE
10 ALL OR ANY PART OF SUCH EXCISE TAXES TO THE PAYMENT OF PRINCIPAL, INTEREST,
11 RESERVE FUND CONTRIBUTIONS AND REDEMPTION PREMIUMS ON THE BONDS. THE
12 RESOLUTION MAY ASSIGN ALL OR ANY PORTION OF THE DISTRICT'S EXCISE TAXES TO A
13 TRUSTEE, PAYING AGENT OR FISCAL AGENT. IF AN ASSIGNMENT IS MADE, THE
14 DISTRICT MAY DIRECT THE DEPARTMENT OF REVENUE TO DEDUCT AN EQUAL AMOUNT EACH
15 MONTH FROM THE EXCISE TAX REVENUES IT COLLECTS FOR THE DISTRICT AND PAY THAT
16 AMOUNT DIRECTLY TO THE BOND OWNERS, TRUSTEE, PAYING AGENT OR FISCAL AGENT
17 DESIGNATED BY THE DISTRICT BOARD.

18 C. THE BONDS MAY BE SOLD AT EITHER PUBLIC OR PRIVATE SALE, ABOVE, AT
19 OR BELOW PAR AND ON SUCH TERMS AS THE BOARD MAY DETERMINE. BONDS TO REFUND
20 OTHER BONDS MAY BE EXCHANGED WITH THE HOLDERS OF BONDS BEING REFUNDED ON SUCH
21 TERMS AS THE BOARD DETERMINES.

22 D. THE BOARD BY RESOLUTION MAY ALSO:

23 1. SET THE PRIORITY OF LIEN OR CLAIM OF ANY SERIES OR ISSUE OF BONDS
24 AGAINST ANY OTHER SERIES OR ISSUES, AND THE BOARD SHALL NOT ABROGATE OR
25 CHANGE THE PRIORITY UNLESS THE AFFECTED SERIES OR ISSUES ARE TO BE FULLY PAID
26 OR FULLY PROVIDED FOR BY THE ISSUANCE OF REFUNDING BONDS OR THE HOLDERS OF
27 THE BONDS AFFECTED AGREE IN WRITING TO THE CHANGE.

28 2. SET ASIDE, REGULATE AND DISPOSE OF RESERVES AND SINKING FUNDS.

29 3. PROVIDE THAT SUFFICIENT AMOUNTS OF THE PROCEEDS FROM THE SALE OF
30 THE BONDS MAY BE USED TO FULLY OR PARTLY FUND ANY AND ALL RESERVES OR SINKING
31 FUNDS SET UP BY THE RESOLUTION AUTHORIZING THE BONDS.

1 4. PRESCRIBE THE PROCEDURE, IF ANY, BY WHICH THE TERMS OF A CONTRACT
2 WITH BONDHOLDERS MAY BE AMENDED OR ABROGATED, THE AMOUNT OF BONDS THE HOLDERS
3 OF WHICH MUST CONSENT TO AMENDMENTS AND THE MANNER IN WHICH THE CONSENT MAY
4 BE GIVEN.

5 5. PROVIDE FOR PAYMENT FROM THE PROCEEDS OF THE SALE OF THE BONDS OF
6 ALL LEGAL AND FINANCIAL EXPENSES INCURRED BY THE BOARD IN THE ISSUANCE, SALE,
7 DELIVERY AND PAYMENT OF THE BONDS.

8 6. DO ANY OTHER MATTERS, OF LIKE OR DIFFERENT CHARACTER, THAT MAY IN
9 ANY WAY AFFECT THE SECURITY AND PROTECTION OF THE BONDS.

10 7. EMPLOY TRUSTEES, PAYING AGENTS, FISCAL AGENTS, FINANCIAL
11 CONSULTANTS, FEASIBILITY CONSULTANTS, ATTORNEYS AND OTHER EXPERTS IN THEIR
12 FIELDS TO AID IN THE SALE AND ADMINISTRATION OF THE BONDS.

13 E. ANY PLEDGE MADE PURSUANT TO THIS SECTION IS VALID AND BINDING FROM
14 THE TIME THE PLEDGE IS MADE. THE MONIES PLEDGED PURSUANT TO THIS SECTION,
15 WHEN PLACED IN THE FUND OR ACCOUNT CREATED TO SERVICE THE BONDS OR PROVIDE
16 RESERVES OR SINKING FUNDS FOR THE BONDS, ARE IMMEDIATELY SUBJECT TO THE LIEN
17 OF THE PLEDGE WITHOUT ANY FUTURE PHYSICAL DELIVERY OR FURTHER ACT OR
18 RECORDING. A LIEN OF ANY PLEDGE IS VALID OR BINDING AGAINST ALL PARTIES
19 HAVING CLAIMS OF ANY KIND IN TORT, CONTRACT OR OTHERWISE AGAINST THE
20 DISTRICT, REGARDLESS OF WHETHER THE PARTIES HAVE NOTICE. WHEN PLACED IN THE
21 RECORDS OF THE BOARD, THE OFFICIAL RESOLUTION, THE TRUST INDENTURE OR ANY
22 INSTRUMENT BY WHICH THE PLEDGE IS CREATED IS NOTICE TO ALL CONCERNED OF THE
23 CREATION OF THE PLEDGE, AND THESE INSTRUMENTS ARE NOT REQUIRED TO BE RECORDED
24 IN ANY OTHER PLACE. A FILING OR RECORDING OF THE RESOLUTION OF THE BOARD
25 CREATING OR EXTENDING THE LIEN OR PLEDGE IN ORDER FOR THE PLEDGE OR LIEN TO
26 BECOME FULLY EFFECTIVE IS NOT REQUIRED IN ANY OFFICE OTHER THAN IN THE OFFICE
27 OF THE BOARD.

28 F. THE MEMBERS OF THE BOARD OR ANY PERSON EXECUTING THE BONDS ARE NOT
29 PERSONALLY LIABLE FOR THE PAYMENT OF THE BONDS. THE BONDS ARE VALID AND
30 BINDING OBLIGATIONS OF THE DISTRICT NOTWITHSTANDING THE FACT THAT BEFORE THE
31 DELIVERY OF THE BONDS ANY OF THE OFFICERS WHOSE SIGNATURES APPEAR ON THE

1 BONDS CEASE TO BE OFFICERS OF THE DISTRICT. FROM AND AFTER THE SALE AND
2 DELIVERY OF THE BONDS, THE BONDS ARE INCONTESTABLE.

3 G THIS STATE PLEDGES TO AND AGREES WITH THE HOLDERS OF THE BONDS THAT
4 THE STATE WILL NOT LIMIT, ALTER, REPEAL OR REVOKE THE DISTRICT'S EXCISE
5 TAXES, OR TAKE ANY ACTION THAT IN ANY WAY ADVERSELY AFFECTS THE RIGHTS OF THE
6 HOLDERS OF THE BONDS, LIMITS OR ALTERS THE AUTHORITY OF THE BOARD TO LEVY THE
7 EXCISE TAX TO PREVENT THE IMPOSITION OF SUFFICIENT EXCISE TAXES TO FULFILL
8 THE TERMS OF THE BONDS, OR IN ANY WAY IMPAIR THE RIGHTS AND REMEDIES OF THE
9 BONDHOLDERS, WHILE ANY BONDS ARE OUTSTANDING. THE DISTRICT BOARD AS AGENT
10 FOR THIS STATE MAY INCLUDE THIS PLEDGE AND UNDERTAKING BY THIS STATE IN ITS
11 RESOLUTIONS AND INDENTURES SECURING ITS BONDS.

12 H. THE BONDS ARE OBLIGATIONS OF THE DISTRICT ISSUING THE BONDS, ARE
13 PAYABLE ONLY PURSUANT TO THE TERMS OF THE BONDS, ARE NOT OBLIGATIONS THAT ARE
14 GENERAL, SPECIAL OR OTHERWISE OF THIS STATE OR THE COUNTY IN WHICH THE
15 DISTRICT IS LOCATED, ARE NOT A LEGAL DEBT OF THIS STATE OR OF THE COUNTY IN
16 WHICH THE DISTRICT IS LOCATED AND ARE NOT ENFORCEABLE AGAINST THIS STATE OR
17 THE COUNTY OUT OF ANY MONIES OTHER THAN THE INCOME AND REVENUE PLEDGED AND
18 ASSIGNED TO OR IN TRUST FOR THE BENEFIT OF THE OWNERS OF THE BONDS."

19 Amend title to conform

JOHN B. NELSON

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2/22/08
1:32 PM
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